

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)
Act 451 of 1994

PART 19
NATURAL RESOURCES TRUST FUND

324.1901 Definitions.

Sec. 1901. As used in this part:

- (a) "Board" means the Michigan natural resources trust fund board established in section 1905.
- (b) "Economic development revenue bonds (oil and gas revenues), series 1982A, dated December 1, 1982" includes bonds refunding these bonds, provided that any refunding bonds mature no later than September 1, 1994.
- (c) "Local unit of government" means a county, city, township, village, school district, the Huron-Clinton metropolitan authority, or any authority composed of counties, cities, townships, villages, or school districts, or any combination thereof, which authority is legally constituted to provide public recreation.
- (d) "Total expenditures" means the amounts actually expended from the trust fund as authorized by section 1903(1) and (2).
- (e) "Trust fund" means the Michigan natural resources trust fund established in section 35 of article IX of the state constitution of 1963.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.1902 Michigan natural resources trust fund; establishment; contents; transfer of amount to Michigan state parks endowment fund; receipts; investment; report on accounting of revenues and expenditures; "Michigan state parks endowment fund" defined.

Sec. 1902. (1) In accordance with section 35 of article IX of the state constitution of 1963, the Michigan natural resources trust fund is established in the state treasury. The trust fund shall consist of all bonuses, rentals, delayed rentals, and royalties collected or reserved by the state under provisions of leases for the extraction of nonrenewable resources from state owned lands. However, the trust fund shall not include bonuses, rentals, delayed rentals, and royalties collected or reserved by the state from the following sources:

(a) State owned lands acquired with money appropriated from the former game and fish protection fund or the game and fish protection account of the Michigan conservation and recreation legacy fund provided for in section 2010.

(b) State owned lands acquired with money appropriated from the subfund account created by former section 4 of former 1976 PA 204.

(c) State owned lands acquired with money appropriated from related federal funds made available to the state under the Pittman-Robertson wildlife restoration act, 16 USC 669 to 669k, or the Dingell-Johnson sport fish restoration act, 16 USC 777 to 777n.

(d) Money received by the state from net proceeds allocable to the nonconventional source production credit contained in section 45k of the internal revenue code of 1986, 26 USC 45k, as provided for in section 503.

(2) Notwithstanding subsection (1), until the trust fund reaches an accumulated principal of \$500,000,000.00, \$10,000,000.00 of the revenues from bonuses, rentals, delayed rentals, and royalties described in this section, but not including money received by the state from net proceeds allocable to the nonconventional source production credit contained in section 45k of the internal revenue code of 1986, 26 USC 45k, as provided for in section 503, otherwise dedicated to the trust fund that are received by the trust fund each state fiscal year shall be transferred to the state treasurer for deposit into the Michigan state parks endowment fund. However, until the trust fund reaches an accumulated principal of \$500,000,000.00, in any state fiscal year, not more than 50% of the total revenues from bonuses, rentals, delayed rentals, and royalties described in this section, but not including net proceeds allocable to the nonconventional source production credit contained in section 45k of the internal revenue code of 1986, 26 USC 45k, as provided in section 503, otherwise dedicated to the trust fund that are received by the trust fund each state fiscal year shall be transferred to the Michigan state parks endowment fund. To implement this subsection, until the trust fund reaches an accumulated principal of \$500,000,000.00, the department shall transfer 50% of the money received by the trust fund each month pursuant to subsection (1) to the state treasurer for deposit into the Michigan state parks endowment fund. The department shall make this transfer on the last day of each month or as soon as practicable thereafter. However, not more than a total of \$10,000,000.00 shall be transferred in

any state fiscal year pursuant to this subsection.

(3) The trust fund may receive appropriations, money, or other things of value.

(4) The state treasurer shall direct the investment of the trust fund. The state treasurer shall have the same authority to invest the assets of the trust fund as is granted to an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

(5) The department shall annually prepare a report containing an accounting of revenues and expenditures from the trust fund. This report shall identify the interest and earnings of the trust fund from the previous year, the investment performance of the trust fund during the previous year, and the total amount of appropriations from the trust fund during the previous year. This report shall be provided to the senate and house of representatives appropriations committees and the standing committees of the senate and house of representatives with jurisdiction over issues pertaining to natural resources and the environment.

(6) As used in this section, "Michigan state parks endowment fund" means the Michigan state parks endowment fund established in section 35a of article IX of the state constitution of 1963 and provided for in section 74119.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995;—Am. 1996, Act 134, Imd. Eff. Mar. 19, 1996;—Am. 2002, Act 52, Eff. Sept. 21, 2002;—Am. 2004, Act 587, Eff. Dec. 23, 2006;—Am. 2012, Act 619, Imd. Eff. Jan. 9, 2013.

Compiler's note: Enacting section 2 of Act 587 of 2004 provides:

"Enacting section 2. This amendatory act does not take effect unless House Joint Resolution Z of the 92nd Legislature becomes a part of the state constitution of 1963 as provided in section 1 of article XII of the state constitution of 1963."

Popular name: Act 451

Popular name: NREPA

324.1903 Expenditures.

Sec. 1903. (1) Subject to the limitations of this part and of section 35 of article IX of the state constitution of 1963, the interest and earnings of the trust fund in any 1 state fiscal year may be expended in subsequent state fiscal years only for the following purposes:

(a) The acquisition of land or rights in land for recreational uses or protection of the land because of its environmental importance or its scenic beauty.

(b) The development of public recreation facilities.

(c) The administration of the fund, including payments in lieu of taxes on state-owned land purchased through the trust fund. The legislature shall make appropriations from the trust fund each state fiscal year to make full payments in lieu of taxes on state-owned land purchased through the trust fund, as provided in section 2154.

(2) In addition to the money described in subsection (1), 33-1/3% of the money, exclusive of interest and earnings, received by the trust fund in any state fiscal year may be expended in subsequent state fiscal years for the purposes described in subsection (1). However, the authorization for the expenditure of money provided in this subsection does not apply after the state fiscal year in which the total amount of money in the trust fund, exclusive of interest and earnings and amounts authorized for expenditure under this section, exceeds \$500,000,000.00.

(3) An expenditure from the trust fund may be made in the form of a grant to a local unit of government or public authority, subject to all of the following conditions:

(a) The grant is used for the purposes described in subsection (1).

(b) The grant is matched by the local unit of government or public authority with at least 25% of the total cost of the project.

(4) Not less than 25% of the total amounts made available for expenditure from the trust fund from any state fiscal year shall be expended for acquisition of land and rights in land, and not more than 25% of the total amounts made available for expenditure from the trust fund from any state fiscal year shall be expended for development of public recreation facilities.

(5) If property that was acquired with money from the trust fund is subsequently sold or transferred by the state to a nongovernmental entity, the state shall forward to the state treasurer for deposit into the trust fund an amount of money equal to the following:

(a) If the property was acquired solely with trust fund money, the greatest of the following:

(i) The net proceeds of the sale.

(ii) The fair market value of the property at the time of the sale or transfer.

(iii) The amount of money that was expended from the trust fund to acquire the property.

(b) If the property was acquired with a combination of trust fund money and other restricted funding sources governed by federal or state law, an amount equal to the percentage of the funds contributed by the trust fund for the acquisition of the property multiplied by the greatest of the amounts under subdivision (a)(i),

(ii), and (iii).

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995;—Am. 2002, Act 52, Eff. Sept. 21, 2002;—Am. 2011, Act 117, Imd. Eff. July 20, 2011.

Popular name: Act 451

Popular name: NREPA

324.1904 Limitation on amount accumulated in trust fund; deposit and distribution of amount.

Sec. 1904. The amount accumulated in the trust fund shall not exceed \$500,000,000.00, exclusive of interest and earnings and amounts authorized for expenditure under this part. Any amount of money that would be a part of the trust fund but for the limitation stated in this section shall be deposited in the Michigan state parks endowment fund created in section 74119, until the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00. After the Michigan state parks endowment fund reaches an accumulated principal of \$800,000,000.00, any money that would be part of the Michigan state parks endowment fund but for this limitation shall be distributed as provided by law.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995;—Am. 2002, Act 52, Eff. Sept. 21, 2002.

Popular name: Act 451

Popular name: NREPA

324.1905 Michigan natural resources trust fund board; establishment; powers and duties of transferred agency; cooperation, aid, offices, and equipment; appointment and terms of members; removal; vacancies; expenses; compensation.

Sec. 1905. (1) The Michigan natural resources trust fund board is established within the department. The board shall have the powers and duties of an agency transferred under a type I transfer pursuant to section 3 of the executive organization act of 1965, 1965 PA 380, MCL 16.103. The board shall be administered under the supervision department and the department shall offer its cooperation and aid to the board and shall provide suitable offices and equipment for the board.

(2) The board shall consist of 5 members. The members shall include the director or a member of the commission as determined by the commission, and 4 residents of the state to be appointed by the governor with the advice and consent of the senate.

(3) The terms of the appointive members shall be 4 years, except that of those first appointed, 1 shall be appointed for 1 year, 1 shall be appointed for 2 years, 1 shall be appointed for 3 years, and 1 shall be appointed for 4 years.

(4) The appointive members may be removed by the governor for inefficiency, neglect of duty, or malfeasance in office.

(5) Vacancies on the board shall be filled for the unexpired term in the same manner as the original appointments.

(6) The board may incur expenses necessary to carry out its powers and duties under this part and shall compensate its members for actual expenses incurred in carrying out their official duties.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995;—Am. 2012, Act 619, Imd. Eff. Jan. 9, 2013.

Compiler's note: For transfer of powers and duties of Michigan natural resources trust fund board from department of natural resources to department of natural resources and environment, see E.R.O. No. 2009-31, compiled at MCL 324.99919.

For transfer of Michigan natural resources trust fund board from department of natural resources and environment to department of natural resources, see E.R.O. No. 2011-1, compiled at MCL 324.99921.

Popular name: Act 451

Popular name: NREPA

324.1906 Board; election of chairperson; administrative procedures; conducting business at public meeting; notice; meetings of board; availability of writings to public; reports.

Sec. 1906. (1) The board shall elect a chairperson and establish its administrative procedures. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. The board shall meet not less than bimonthly and shall record its proceedings. A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(2) Before January 16 of each year, the board shall report to the governor and to the legislature detailing the operations of the board for the preceding 1-year period. The board shall also make special reports as requested by the governor or the legislature.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.1907 List of lands, rights in land, and public recreation facilities to be acquired or developed; estimates of total costs; guidelines; legislative approval; "qualified conservation organization" defined.

Sec. 1907. (1) The board shall determine which lands and rights in land within the state should be acquired and which public recreation facilities should be developed with money from the trust fund and shall submit to the legislature in January of each year a list of those lands and rights in land and those public recreation facilities that the board has determined should be acquired or developed with trust fund money, compiled in order of priority. In preparing the list under this subsection, the board shall do all of the following:

(a) Give a preference to the following:

(i) A project or acquisition that is located within a local unit of government that has adopted a resolution in support of the project or acquisition.

(ii) The acquisition of land and rights in land for recreational trails that intersect the downtown areas of cities and villages.

(b) Identify each parcel of land that is recommended for acquisition by legal description and include the estimated cost of acquisition and assessed value.

(c) Provide a scoring of each parcel of land recommended for acquisition individually.

(d) Give consideration to an acquisition that meets either or both of the following:

(i) Is located within a county that contains 50% or more privately owned land.

(ii) Allows motorized recreational use.

(2) In preparing the list of lands to be acquired or developed under subsection (1), the following apply:

(a) The board shall not include an acquisition of land on the list if the board determines that the seller was harassed, intimidated, or coerced into selling his or her land by the department, a local unit of government, or a qualified conservation organization.

(b) A project or acquisition may be named in honor or memory of an individual or organization.

(3) The list prepared under subsection (1) shall be accompanied by estimates of total costs for the proposed acquisitions and developments.

(4) The board shall supply with the list prepared under subsection (1) a statement of the guidelines used in listing and assigning the priority of these proposed acquisitions and developments.

(5) The legislature shall approve by law the lands and rights in land and the public recreation facilities to be acquired or developed each year with money from the trust fund.

(6) As used in this section, "qualified conservation organization" means that term as it is defined in section 7o of the general property tax act, 1893 PA 206, MCL 211.7o.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995;—Am. 2008, Act 229, Imd. Eff. July 17, 2008;—Am. 2012, Act 619, Imd. Eff. Jan. 9, 2013.

Popular name: Act 451

Popular name: NREPA

324.1907a Project status; report; "changes significantly" defined.

Sec. 1907a. (1) If within 2 years after a parcel of property that is approved for acquisition or development by the legislature has not been acquired or developed in the manner determined by the board and is not open for public use, the board shall report to the standing committees of the senate and the house of representatives with jurisdiction over issues related to natural resources and the environment on the status of the project and the reason why the property has not been purchased or developed in the manner determined by the board. The department shall post on its website a bimonthly report of project status containing information described in this subsection.

(2) Following the appropriation of money from the trust fund, if the public recreation project changes significantly, the board shall submit the changes to the joint capital outlay subcommittee of the legislature to review whether the proposed changed project is consistent with the purpose of the appropriation. As used in this subsection, "changes significantly" means changes to a project such that the project would not have been funded had the change been in place during the evaluation of the project.

History: Add. 2002, Act 52, Eff. Sept. 21, 2002;—Am. 2012, Act 619, Imd. Eff. Jan. 9, 2013.

Popular name: Act 451

Popular name: NREPA

324.1908 Adopting decisions of state recreational land acquisition trust fund board of trustees; completion of projects; validity and expenditure of appropriations; deposit and appropriation of unexpended funds; appropriation of funds available under former law; deposit of interest and earnings on unexpended money.

Sec. 1908. (1) Beginning on October 1, 1985, the board shall adopt as its own any decision made by the state recreational land acquisition trust fund board of trustees under the Kammer recreational land trust fund act of 1976, former Act No. 204 of the Public Acts of 1976, and shall administer to completion any project pending under that act.

(2) Appropriations made pursuant to former Act No. 204 of the Public Acts of 1976 shall remain valid after October 1, 1985 and may be expended until the projects approved through the appropriations are complete. Any funds appropriated pursuant to former Act No. 204 of the Public Acts of 1976 but unexpended after completion of the projects funded under that act shall be deposited in the trust fund and may be appropriated as natural resources trust funds.

(3) Funds available for appropriation under former Act No. 204 of the Public Acts of 1976 as of October 1, 1985, but not appropriated as of that date, may be appropriated by the legislature under the terms and conditions of that act. Any funds appropriated as provided in this subsection but unexpended after completion of the projects for which the money was appropriated shall be deposited in the trust fund and may be appropriated as natural resources trust funds.

(4) The interest and earnings on money appropriated pursuant to former Act No. 204 of the Public Acts of 1976 or subsection (3) but not expended shall be deposited in the trust fund.

History: Add. 1995, Act 60, Imd. Eff. May 24, 1995.

Popular name: Act 451

Popular name: NREPA

324.1909, 324.1910 Repealed. 2010, Act 32, Eff. Oct. 1, 2010.

Compiler's note: The repealed sections pertained to duties of state treasurer and transfer of writings or documents by department of natural resources and department of treasury.

324.1911 Local public recreation facilities fund.

Sec. 1911. (1) The local public recreation facilities fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the local public recreation facilities fund. The state treasurer shall direct the investment of the local public recreation facilities fund. The state treasurer shall credit to the local public recreation facilities fund interest and earnings from local public recreation facilities fund investments.

(3) Money in the local public recreation facilities fund at the close of the fiscal year shall remain in the local public recreation facilities fund and shall not lapse to the general fund.

(4) The department of natural resources shall be the administrator of the local public recreation facilities fund for auditing purposes.

(5) The department of natural resources shall expend money from the local public recreation facilities fund, upon appropriation, only for grants to local units of government for the development of public recreation facilities pursuant to the same procedures of the board and guidelines as apply under section 1907.

History: Add. 2010, Act 32, Eff. Oct. 1, 2010.

Popular name: Act 451

Popular name: NREPA